

## Watch: A central bank digital currency could revolutionise banking

A central bank digital currency could revolutionise banking and finance, notably in cross-border payments. So says ING's Teunis Brosens who thinks we'll see pilots for such a system within the next five years. So what's holding it back?



### A central bank digital currency could revolutionise finance

We could see a pilot project for a G20 central bank digital currency within five years, says ING's Lead Economist for Digital Finance, Teunis Brosens.

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The existing structure, notably for cross border payments, is outdated, expensive and time consuming and a fully-fledged central bank digital currency could change all that, he says. Here Teunis explains his thinking and discusses the benefits and drawbacks of CBDCs.

Rapid advances in distributed ledger technology have spurred debate about the possibilities, advantages and drawbacks of central bank digital currencies. The principal limits and trade-offs seem to stem from CBDC's economic, monetary and financial contexts, and depend on underlying policy and political preferences concerning privacy, data administration, market power, cybersecurity, and the division of labour between the public and private sectors.

All these issues were discussed at a joint event held by ING and the central bank thinktank, OMFIF.

